

SM2 CAPITAL PARTNERS



In order from left to right: Naim Ali, Mohamed Ali, Rizvan Bharmal, Jamil Ali, Shiraz Ali and Hafiz Ali

Groundbreaking Event

On September 10, 2021, SM2 Capital Partners and NewStar Capital, broke ground at the Calgary International Airport for the brand new Ace Casino Calgary which will bring new energy to the YYC campus as the first ground-up casino development in Alberta in several decades. The innovative property will celebrate the timeless spirit of Alberta while leading the charge for a bold new era with game-changing guest offerings.

The ACE Casino will be built on YYC's campus at 36 Aero Crescent NE and will reshape the entire northern area of Calgary. It will be conveniently located near Deerfoot Trail, the airport terminal, hotels, golfing and other amenities in Northeast Calgary. The state-of-the-art facility will feature 72,000 square feet of entertainment space, which was designed with health and safety in mind, integrating learnings from the COVID-19 pandemic. The Ace Casino will be defined by a bold design and ample parking. Construction of the casino will create several hundred jobs and over 200 additional permanent employment positions in the community once it opens. Additional details about ACE's amenities and opening will be announced in the coming months. We expect to open the casino in late 2022.

On behalf of the entire SM2 family, we extend congratulations to our incredible partner, NewStar Capital. Scott Mather and Hafiz Ali have worked together from the beginning of our casino acquisition strategy to make the vision of a gaming portfolio a reality.

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Newsletter Committee? Please
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newsletter@sm2capital.com*

A Message From Our CEO

Dear Valued Employees and Partners,

One year ago, we launched the first issue of our SM2 Capital Newsletter. In November 2020, our company had been grappling with the profound effects of the first eight months of the pandemic. During this time of adversity, a team came together with one idea. That idea was to share with you how employees in our organization were showing up and living our newly formed core values. In a time of uncertainty, the SM2 newsletter gave us a sense of hope. Here is to our first anniversary!

Today, SM2 Capital Partners has fundamentally changed the trajectory of how we operate. And like any family who grows with their experiences, we look and feel different. If the past eighteen months have taught us anything, it is that our employees appreciate the human aspects of our work. Our employees want a renewed and revised sense of purpose in their work. They want social and interpersonal connections with their colleagues and managers. They want to feel a sense of shared identity. Yes, they want a salary and benefits, but more than that, they want to feel valued by this organization and their managers. They want meaningful interactions. Remember our Big Hairly Audacious Goal: the transformation of this family business into something extraordinary. This also means that the DNA of our company (i.e. every employee) might also embark on their own individual journey of change.

Each day, the work all of you do helps make our world a better place. When a customer drives a Budget rental to our beautiful mountains, we have helped them see the beauty of our planet. When a guest, who stays at the Regency Suites Hotel or visits our casinos, and interacts with new people and cultures in Calgary, we have helped promote diversity and inclusion in our society. When a family leaves for a vacation on a Park & Jet shuttle bus, we have helped that family create everlasting memories. You see, there is a basic goodness behind all of our businesses.

Each of you are being asked to help drive change and you are being tasked to do so with urgency and speed. At the basic level, there are four building blocks that will allow us to adapt to the post-pandemic world:

- Think about how you can always be doing better (Core Value: Aspire to Excellence).
- Engage amongst yourselves and utilize the diverse skills and perspectives necessary for change (Core Value: People Matter and Together We Are Stronger).
- Clearly communicate our aspirations to connect to our core purpose and our core values (Core Value: Be Courageous).
- Lead by example and serve as a role model in practicing what you preach (Core Value: Humility and Do the Right Thing).

This unique moment in time has also represented a big opportunity. Our organization of the future should not look like the one that existed in 2019. It will need to be more flexible, less hierarchical, and more diverse. And faster. Speed is not just about revving the engine faster but designing it to run more efficiently and intelligently. To seize this moment, we just have to take a step back, listen, learn, and adapt our SM2 family.

With gratitude,



Naim Ali, Chief Executive Officer

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Our Portfolio

Welcome to the SM2 Capital Partners' portfolio of companies! Our portfolio is comprised of companies that together, fit within our core purpose of "Our Business Is Family". To learn more about the companies that we are proud to call our family, read through each of their descriptions below.

Budget® Budget Rent A Car

The Budget Rent A Car franchise was acquired by SM2's founders in 1974. For 30 years they had their prime location in the epicenter of the city, at the Firehall No. 1. Known as the "Budget Firehall", it opened its doors in December 1989 with a huge celebration. In 1997, during the World Police and Fire Games hosted in Calgary, they received an award for the restoration of the historic building. Over the last 10 years, Budget Rent A Car purchased over 15,000 vehicles and during their peak season (summer time) they can have up to 2,000 vehicles in their fleet and be completely sold out of vehicles to rent. Currently, they have about 50 employees and over 400 vehicles in their fleet, operating 7 days a week at the Calgary International Airport.



Holiday Inn Express & Suites - Spruce Grove



Located in Spruce Grove, Alberta, the Holiday Inn opened in September 2014. With just under 30 employees, 130 rooms, a swimming pool and a few other amenities, they offer complimentary breakfast every day that can feed up to 1,100 people. Some of their regular guests will stay 3-5 months at a time and during summer, they host various baseball teams. In their busiest times of the year, they can see up to 6000 guests in one single month.



Cash Casino - Calgary and Red Deer

Cash Casino Calgary opened in August 1980 and Cash Casino Red Deer was opened in 1993 in a two-day event. They go through over 25,000 decks of cards a year and their Calgary location was the first free-standing casino in Canada. With over 250 employees, one poker room with 12 tables and 649 Slot machines, both Calgary and Red Deer are open 7 days a week. Their biggest jackpot prize of \$354,000.00 went to a lucky winner on the Double Diamond slot machine.



Regency Suites Hotel



The Regency Suites Hotel was opened on March 1st, 1987 and it is located in the heart of downtown Calgary. Over the many years of its operation, the hotel has frequently hosted performers from the Stage West Dinner Theatre. Some of the stars that have stayed with them are Jamie Farr, Susan Ruttan, Cindy Williams, William Christopher and Irene Cara. With a little over 25 employees, their peak season is, of course, during the Calgary Stampede when they are close to being sold out most of those days, serving daily breakfast for over 260 people. Every room at the Regency is a full suite with a kitchenette stocked with dishes, a microwave, a fridge, and a stove, meaning that guests can enjoy comfortable long term stays.



Calgary Park & Jet Ltd

Calgary Park & Jet Ltd ("CPJ") was opened on February 28th, 1980 and is a second generation family operated business. They are the closest park & ride service located at the Calgary International Airport, with a short 3 minute shuttle bus ride to the main terminal. During their peak season (Christmas) they have over 3,000 vehicles parked in their lot. Before COVID, their average car count was 2000 vehicles and average length of stay was 4 days. They have almost 30 employees and they operate 24 hours a day, 7 days a week. This year, CPJ implemented a fully digitized parking system which enables all payments to be made directly from mobile devices and will be completely cashless. In addition, this new parking technology platform allows for parking

lot reconfiguration plans to enable customers to choose valet parking, handicapped parking and/or have their vehicle fueled (or electrically charged) while they are away.



Fortress Insurance Company

Fortress was originally created in 2005 as a regulated insurance company with the single purpose of providing third-party automobile liability coverage in Calgary for the private fleet of its owner, Prairie View Holdings (Budget Rent A Car vehicles and Park & Jet busses). Today, Fortress is licensed across Western Canada and the Territories (pending Nunavut) and will be submitting a license application for Ontario by year end 2021. With 8 employees and growing, Fortress offers all kinds of insurance, including machinery and marine, to name a few.



ACE Casino Blackfoot

On December 1, 2020, SM2 Capital Partners, together with NewStar Capital, acquired the Century Casino. However, we wanted to share with you the story about the man who founded this casino, Mr. Frank Sisson. The Silver Dollar began as an entertainment centre in 1983, and founder Frank Sisson added a casino on the site in 1996. Hafiz, Naim and Scott were so blessed to have lunch with this iconic businessman on July 8, 2021. He regaled us with stories of when he started this casino, including when he was shot in the foot during an attempted robbery, his love for bowling, and all the incredible entertainers who passed through the doors of the Silver Dollar Casino. As we walked around the casino, employees and customers reached out to him just to say hello. People still remember him even though he sold the casino in 2010! He is

warm hearted, generous, philanthropic, modest, and self-effacing in everything he does. If there has been a need in Calgary, a requirement for sporting assistance, at any level, regardless of the sport, Frank has always stepped to the front of the line to help in every way that was needed. We are giving away an autographed version of his book, "Frankly Speaking." If you are interested in entering a raffle for a copy of this book, please contact Miss Deepkiran at 403.232.4755 or e-mail her at deepkiran.kainth@sm2capital.com.

Anniversaries

In 2021, it is with great pleasure that we celebrated these employees and their milestone anniversaries for 2020. When safe to do so, we can't wait to resume our annual service award lunch celebration.

1 YEAR *Imamjan Hussain, Olga Ogari*

3 YEARS *Victorino Cagorol, Mahmoud Mohagheghfard, Rahman Ali, Mohamed Abdullahi, Desalegn Dedefo, Kasim Gorsa*

5 YEARS *Andrzej Nowakowski, Abdul Minhas, Gurmukh Bansal, Dennis Balde*

10 YEARS *Mohamed Miri, Navdeep Gill*

15 YEARS *Ali Miri, Sukhwinder Sidhu, Donna Stephenson, Parvinder Gill*

20 YEARS *Mehboob Rashid, Gina Sanchez*



Annual Pumpkin Contest



Every year at Halloween, our employees from all business units come together for the SM2 Annual Pumpkin Decorating Contest. Congratulations to the SM2 Accounting Team! Their teamwork (Together We Are Stronger), creativity and attention to detail (Aspire To Excellence) really shined through with their spooktastic design.

27th Annual Toy Angels Campaign

Once again, Budget Rent A Car will be participating in the annual Toy Angels campaign hosted by 95.9 CHFM, The Salvation Army and CIR Realty. For this annual holiday toy drive, we are lending a complimentary Budget 1-ton truck so that the campaign organizers can safely and efficiently transport all of the toys generously donated by Calgarians this holiday season.



Employee Appreciation Movie Night

We wanted to show our appreciation to all of our employees (People Matter) that have not only stayed with us throughout the pandemic (Together We Are Stronger), but carried us forward with their hard work and dedication (Aspire To Excellence). This was what Movie Night was all about: a chance for employees to have a night out on the town, have some yummy popcorn and candy, and watch the 25th James Bond movie, No Time To Die.



Investments Update



THE DORIAN

SM2 Capital Partners is a proud investor into PBA Group of Companies' exciting new project, The Dorian (thedorian.ca). This 27-storey, 308 room luxury hotel located at 525 – 5th Ave SW, will reflect – and help define – the best the city has to offer. The hotel's website describes it as, "vibrant and contemporary, yet warm and friendly – the combination of design-forward architecture and tailored guest experiences will place it among the best hotels in the world, boosting Calgary's growing reputation as a must-see international destination."

"Like some of the best hotels in the world, The Dorian will be a true reflection of its city. We are not building a traditional institutional hotel. We are building a unique reflection of a modern vibrant international destination – and delivering the very best that Calgary has to offer to international travelers and locals alike." – Patricia Phillips, CEO, PBA Group of Companies

The Dorian will be two hotels in one tower: the Autograph Hotel and the Courtyard Hotel. The upper-portion, Autograph, will blend modern luxury with British whimsy and local flavour, including Calgary's first 27th floor lobby complete with resto-lounge and rooftop patio. The lower-portion Courtyard will cater to sophisticated urban adventurers and business professionals seeking more for their travel dollars. It will have a community-focused business model, integrating local suppliers – from food and beverage to soap and linens. By procuring and curating local art and promoting local artists, the hotel will also enhance arts development, which plays an important role in the community and economic development of Calgary. As of the September 2021 progress report from PBA, the Dorian is nearing completion with a total budget of \$111,887,000. Construction of the hotel started on November 1, 2019, and the forecasted opening date will be June 2022.

EL TEQUILEÑO

In 2017, SM2 Capital Partners invested in an exciting business venture, El Tequileño's (tequileño.com) legendary brand of Mexican tequila, founded by Don Jorge Salles Cuervo on New Year's Day, 1959. As a family-owned operation (similar to SM2), El Tequileño has maintained a special relationship with local businesses in the actual town of Tequila, Mexico. Including perhaps the region's most legendary outposts: La Capilla Cantina. This tiny, nondescript cantina just outside the central town square is the birth place of one of the country's most enduring and iconic cocktails, The Batanga, which has always been made from El Tequileño Blanco. It was invented by the tavern's iconic owner, Don Javier Delgado Corona, who passed away recently in his late 90s. As a label enjoyed largely by connoisseurs, El Tequileño bills itself as "Mexico's Best Kept Secret". Here's how to make The Batanga, a signature drink since the early 60s:

- 2 oz. El Tequileño Blanco
- 1 oz. freshly squeezed lime juice
- Top with Mexican Coca-Cola

Method: Coat the rim of a highball glass with coarse sea salt, fill the glass with cubed ice, add tequila and freshly squeezed lime juice, top with Mexican cola. Stir with the knife used to cut the limes, as Don Javier did for 60 years at La Capilla and as he would say, it added flavor. Since the company's acquisition in 2017, the sales volume of El Tequileño has increased a whopping 110%! To enjoy a bottle for yourself, it is sold exclusively at Willow Park Wines & Spirits in Calgary (willowpark.net).

EL TEQUILEÑO

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Named to honor the people of Tequila, Jalisco.

